Union Calendar No. 57

111TH CONGRESS 1ST SESSION

H. R. 885

[Report No. 111-114]

To elevate the Inspector General of certain Federal entities to an Inspector General appointed pursuant to section 3 of the Inspector General Act of 1978.

IN THE HOUSE OF REPRESENTATIVES

February 4, 2009

Mr. Larson of Connecticut (for himself, Mr. Hinchey, Mr. Holt, Mr. Defazio, Mr. Nye, and Mr. Towns) introduced the following bill; which was referred to the Committee on Oversight and Government Reform

May 18, 2009

Additional sponsors: Mr. Ryan of Ohio, Mr. Capuano, Mr. Boccieri, Mr. Stupak, Mr. Wexler, Mr. Pascrell, Mr. Murphy of Connecticut, Mr. Kind, Mr. Courtney, Mr. Taylor, Mr. Murtha, Mr. Hastings of Florida, Mr. Jackson of Illinois, Mr. Davis of Illinois, Mr. Cleaver, Mr. Gonzalez, Mr. Meeks of New York, Mr. Payne, Mr. Watt, Mr. Al Green of Texas, Ms. Linda T. Sánchez of California, Mr. Doyle, Ms. Eshoo, Mr. Michaud, Mr. Brady of Texas, Mr. Higgins, Ms. Delauro, Mr. Bishop of New York, Mr. Lobiondo, Mr. Platts, Mr. Brady of Pennsylvania, and Mr. Schiff

May 18, 2009

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed [Strike out all after the enacting clause and insert the part printed in italic] [For text of introduced bill, see copy of bill as introduced on February 4, 2009]

A BILL

To elevate the Inspector General of certain Federal entities to an Inspector General appointed pursuant to section 3 of the Inspector General Act of 1978.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.
- 4 (a) Short Title.—This Act may be cited as the "Im-
- 5 proved Financial and Commodity Markets Oversight and
- 6 Accountability Act".
- 7 (b) Table of Contents.—The table of contents for
- 8 this Act is as follows:
 - Sec. 1. Short title; table of contents.
 - Sec. 2. Elevation of certain Inspectors General to appointment pursuant to section 3 of the Inspector General Act of 1978.
 - Sec. 3. Continuation of provisions relating to personnel.
 - Sec. 4. Subpoena authority of certain Inspectors General.
 - Sec. 5. Corrective responses by heads of certain establishments to deficiencies identified by Inspectors General.
 - Sec. 6. Effective date; transition rule.
- 9 SEC. 2. ELEVATION OF CERTAIN INSPECTORS GENERAL TO
- 10 APPOINTMENT PURSUANT TO SECTION 3 OF
- 11 THE INSPECTOR GENERAL ACT OF 1978.
- 12 (a) Inclusion in Certain Definitions.—Section 12
- 13 of the Inspector General Act of 1978 (5 U.S.C. App.) is
- 14 amended—

1 (1) in paragraph (1), by striking "or the Federal 2 Cochairpersons of the Commissions established under section 15301 of title 40, United States Code;" and 3 inserting "the Federal Cochairpersons of the Commissions established under section 15301 of title 40, 5 6 United States Code; the Chairman of the Board of 7 Governors of the Federal Reserve System; the Chair-8 man of the Commodity Futures Trading Commission; 9 the Chairman of the National Credit Union Adminis-10 tration; the Director of the Pension Benefit Guaranty 11 Corporation; or the Chairman of the Securities and 12 Exchange Commission;"; and 13 (2) in paragraph (2), by striking "or the Com-14 missions established under section 15301 of title 40, 15 United States Code," and inserting "the Commissions 16 established under section 15301 of title 40, United 17 States Code, the Board of Governors of the Federal 18 Reserve System, the Commodity Futures Trading 19 Commission, the National Credit Union Administra-20 tion, the Pension Benefit Guaranty Corporation, or the Securities and Exchange Commission,". 21 22 (b) Exclusion From Definition of Designated 23 Federal Entity.—Section 8G(a)(2) of the Inspector Gen-

eral Act of 1978 (5 U.S.C. App.) is amended—

1	(1) by striking "the Board of Governors of the					
2	Federal Reserve System,";					
3	(2) by striking "the Commodity Futures Trading					
4	Commission,";					
5	(3) by striking "the National Credit Union Ad-					
6	ministration,"; and					
7	(4) by striking "the Pension Benefit Guaranty					
8	Corporation, the Securities and Exchange Commis-					
9	sion,".					
10	SEC. 3. CONTINUATION OF PROVISIONS RELATING TO PER-					
11	SONNEL.					
12	(a) In General.—The Inspector General Act of 1978					
13	(5 U.S.C. App.) is amended by inserting after section 8L					
14	the following:					
15	"SEC. 8M. SPECIAL PROVISIONS CONCERNING CERTAIN ES-					
16	TABLISHMENTS.					
17	"(a) Definition.—For purposes of this section, the					
18	term 'covered establishment' means the Board of Governors					
19	of the Federal Reserve System, the Commodity Futures					
20	Trading Commission, the National Credit Union Adminis-					
21	tration, the Pension Benefit Guaranty Corporation, and the					
22	Securities and Exchange Commission.					
23	"(b) Provisions Relating to All Covered Estab-					
24	LISHMENTS.—					

"(1) Provisions relating to inspectors gen-ERAL.—In the case of the Inspector General of a cov-ered establishment, subsections (b) and (c) of section 4 of the Inspector General Reform Act of 2008 (Public Law 110-409) shall apply in the same manner as if such covered establishment were a designated Federal entity under section 8G. An Inspector General who is subject to the preceding sentence shall not be subject to section 3(e).

"(2) Provisions relating to other personnel.—Notwithstanding paragraphs (7) and (8) of section 6(a), the Inspector General of a covered establishment may select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office of Inspector General of such establishment and to obtain the temporary or intermittent services of experts or consultants or an organization of experts or consultants, subject to the applicable laws and regulations that govern such selections, appointments, and employment, and the obtaining of such services, within such establishment.

23 "(c) Provision Relating to the Board of Gov-24 Ernors of the Federal Reserve System.—The provi-25 sions of subsection (a) of section 8D (other than the provi-

- 1 sions of subparagraphs (A), (B), (C), and (E) of paragraph
- 2 (1) of such subsection (a)) shall apply to the Inspector Gen-
- 3 eral of the Board of Governors of the Federal Reserve Sys-
- 4 tem and the Chairman of the Board of Governors of the
- 5 Federal Reserve System in the same manner as such provi-
- 6 sions apply to the Inspector General of the Department of
- 7 the Treasury and the Secretary of the Treasury, respec-
- 8 tively.".
- 9 (b) Conforming Amendment.—Paragraph (3) of sec-
- 10 tion 8G(g) of the Inspector General Act of 1978 (5 U.S.C.
- 11 App.) is repealed.
- 12 SEC. 4. SUBPOENA AUTHORITY OF CERTAIN INSPECTORS
- 13 GENERAL.
- 14 The Inspector General of the Board of Governors of the
- 15 Federal Reserve System, the Commodity Futures Trading
- 16 Commission, the National Credit Union Administration,
- 17 the Pension Benefit Guaranty Corporation, or the Securi-
- 18 ties and Exchange Commission, in carrying out the provi-
- 19 sions of the Inspector General Act of 1978 (5 U.S.C. App),
- 20 is authorized to require by subpoena, from any officer or
- 21 employee of a contractor or grantee of the establishment,
- 22 any officer or employee of a subcontractor or subgrantee of
- 23 such a contractor or grantee, or any person or entity regu-
- 24 lated by the establishment, any records and testimony nec-
- 25 essary in the performance of functions assigned to the In-

1	spector General under such Act. Any such subpoena, in the					
2	case of contumacy or refusal to obey, shall be enforceable					
3	By order of any appropriate United States district cour					
4	SEC. 5. CORRECTIVE RESPONSES BY HEADS OF CERTAIN					
5	ESTABLISHMENTS TO DEFICIENCIES IDENTI					
6	FIED BY INSPECTORS GENERAL.					
7	The Chairman of the Board of Governors of the Federal					
8	Reserve System, the Chairman of the Commodity Future					
9	Trading Commission, the Chairman of the National Credi					
10	Union Administration, the Director of the Pension Benef					
11	Guaranty Corporation, and the Chairman of the Securities					
12	and Exchange Commission shall each—					
13	(1) take action to address deficiencies identified					
14	by a report or investigation of the Inspector General					
15	of the establishment concerned; or					
16	(2) certify to both Houses of Congress that no ac-					
17	tion is necessary or appropriate in connection with a					
18	deficiency described in paragraph (1).					
19	SEC. 6. EFFECTIVE DATE; TRANSITION RULE.					
20	(a) Effective Date.—This Act and the amendments					
21	made by this Act shall take effect 30 days after the date					
22	of the enactment of this Act.					
23	(b) Transition Rule.—An individual serving as In-					
24	spector General of the Board of Governors of the Federal					
25	Reserve System, the Commodity Futures Trading Commis-					

- 1 sion, the National Credit Union Administration, the Pen-
- 2 sion Benefit Guaranty Corporation, or the Securities and
- 3 Exchange Commission on the effective date of this Act pur-
- 4 suant to an appointment made under section 8G of the In-
- 5 spector General Act of 1978 (5 U.S.C. App.)—
- 6 (1) may continue so serving until the President 7 makes an appointment under section 3(a) of such Act 8 with respect to the Board of Governors of the Federal 9 Reserve System, the Commodity Futures Trading 10 Commission, the National Credit Union Administra-11 tion, the Pension Benefit Guaranty Corporation, or 12 the Securities and Exchange Commission, as the case may be, consistent with the amendments made by sec-13 14 tion 2; and
 - (2) shall, while serving under paragraph (1), remain subject to the provisions of section 8G of such Act which, immediately before the effective date of this Act, applied with respect to the Inspector General of the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the National Credit Union Administration, the Pension Benefit Guaranty Corporation, or the Securities and Exchange Commission, as the case may be, and suffer no reduction in pay.

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